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BACKGROUND ON U.S. AGRICULTURE



BACKGROUND ON

U.S. AGRICULTURE

American agriculture has advanced more in the past 50 years than in all the prior years of our history. Modern farming and ranching, combined with a progressive system of marketing, processing, and merchandising, provide:

- Abundant, wholesome food when, where, and how we want it.
- Farm products with new qualities for home and industry.

The foundation for continuing agricultural progress, which reaches from farm to market to home or industry, is research and the hard work and ingenuity of farmers and ranchers.

Research by Government and industry is constantly improving plants and animals, providing better management of soil and water, finding new uses for farm products, and devising new and better methods of marketing, transporting, storing, and merchandising farm products. Educational services quickly carry the new knowledge to farmers and others who put it to use.

What Is Modern Farming?

The Nation's Biggest Industry

Farming employs 6 million workers—more than the combined employment in transportation, public utilities, the steel industry, and the automobile industry.

Agriculture's assets total \$238 billion, equal to:

About $\frac{2}{3}$ of the value of current assets of all corporations in the United States, or

About half the market value of all corporation stocks on the New York Stock Exchange.

The value of agriculture's production assets represents over \$30,500 for each farm employee.

3.4 Million Producers

This biggest of the Nation's industries is composed of 3.4 million independent producers. In 1964:

1,522,000 farms (44 percent of all farms) sold less than \$2,500 worth of farm products.

380,000 (11 percent) sold farm products worth \$2,500 to \$4,999.

560,000 (16 percent) sold farm products worth \$5,000 to \$9,999.

1,010,000 (29 percent) sold farm products worth more than \$10,000.

About 140,000 farms in 1964 had sales of farm products totaling more than \$40,000.

A Good Customer

The farmer spends nearly \$30.3 billion a year for goods and services to produce crops and livestock; another \$12 billion a year for the same things that city people buy—food, clothing, drugs, furniture, appliances, and other products and services.

Each year the farmer's purchases include:

\$4.7 billion in new farm tractors and other motor vehicles, machinery, and equipment. It takes 119,000 employees to produce this farm equipment.

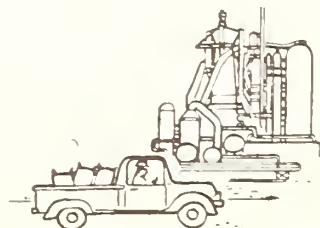
\$3.3 billion for fuel, lubricants and maintenance of machinery and motor vehicles. Farming uses more petroleum than any other single industry.

\$6.5 billion for feed and seed.

\$1.7 billion for fertilizer and lime; and, farmers use more each year.

Products containing 320 million pounds of rubber—about 7 percent of the total used in the United States, or enough to put tires on nearly 6 million automobiles.

30 billion kw.-hrs. of electricity—or more than 4 percent of the Nation's total, or more than is needed annually by Baltimore, Chicago, Boston, Detroit, Houston, and Washington, D.C.



5 million tons of steel in the form of farm machinery, trucks, cars, fencing, and building materials. Farm use of steel accounts for 40,000 jobs in the steel industry.

A Creator of Employment

3 out of every 10 jobs in private employment are related to agriculture.

Six million people have jobs providing the supplies farmers use for production and family living.

Eight to ten million people have jobs storing, transporting, processing, and merchandising the products of agriculture.

Here are a few examples from the 1964 Survey of Manufactures:

Meat and poultry, including meatpacking, prepared meats, and poultry dressing plants—305,019 employees and a payroll of nearly \$1.8 billion.

Dairy, including fluid milk, concentrated and dried milk, natural cheese, creamery butter, ice cream, and special dairy products—252,242 employees and a payroll of more than \$1.4 billion.

Baking, including bread and related products and biscuits and crackers—279,777 employees and a payroll of more than \$1.6 billion.

Fruits and vegetables, canned, frozen, and processed as pickles and sauces—173,450 employees and a payroll of \$706 million.

Cotton broadwoven fabrics industry—204,000 employees and a payroll of \$824 million.

An Efficient, Progressive Industry

One hour of farm labor produces more than 5 times as much food and other crops as it did in 1919-21. Crop production is 82 percent higher per acre. Output per breeding animal has almost doubled.

Production per man-hour of American farm labor since the late 1950's increased by 6.6 percent a year.

Output per man-hour in nonagricultural industry increased by 2.6 percent a year.

One farm worker produces food, fiber, and other farm commodities for himself and 35 others.

A Taxpayer

In 1964:

Farm real estate taxes totaled \$1.5 billion.

Tax on personal property on farms was nearly one-third of a billion dollars.

Federal and State income taxes paid by the farm population amounted to about \$1.3 billion.

Net taxes paid by farmers on motor fuels were \$318 million.

Motor vehicle license fees and taxes paid by farmers were about \$180 million.

Sales taxes totaled more than \$300 million.



Food Supplier to the World

The United States is the world's largest exporter of agricultural products.

One out of every four harvested acres produces for export. Land producing for export represents about the same acreage of cropland as that harvested in Nebraska, Iowa, Kansas, and Illinois.

\$6.2 billion in farm products were exported in 1965.

Abundance Works for Peace

American agricultural abundance is a powerful force for world peace. Our food and other farm products are helping to relieve hunger and to promote economic growth in the newly developing countries of the world. Our wheat is providing an additional 13 billion loaves of bread a year for the people of India.

We accept foreign currencies from countries that need our farm products but are short of dollar exchange. We also barter or trade our agricultural products for goods and services needed abroad by AID and defense, and for strategic materials—nearly \$2 billion worth since July 1, 1949.



Farming Is Food

Each of us in 1965 consumed these and other products of farm and ranch:

- 167 pounds of beef, veal, pork, lamb, and mutton.
- 41 pounds of chicken and turkey.
- 175 pounds of fruits (fresh fruit equivalent).
- 205 pounds of vegetables (fresh vegetable equivalent).
- 623 pounds of dairy products (whole milk equivalent).
- 104 pounds of potatoes and 7 pounds of sweet potatoes (fresh equivalent).

We can choose from as many as 6,000 different foods when we go to market—fresh, canned, frozen, concentrated, dehydrated, ready-mixed, ready-to-serve, or in heat-and-serve form.

Clothing

In 1965, we used:

- 4.4 billion pounds of cotton, or nearly 23 pounds per person. That's the equivalent of about 24 house dresses, or 36 dress shirts, for every man, woman, and child in the Nation.
- 526 million pounds of apparel and carpet wool, more than 2½ pounds per person.

And research has given these natural fibers new qualities. Specially treated cotton resists everything from wrinkles to fire. Wool can be treated to keep it from shrinking when it is washed.

Shelter

It takes 1 acre of healthy forest 20 years to grow the lumber for a 5-room frame house.

Farmers and other small woodland owners control 59 percent of the Nation's commercial forest; 3 out of 4 forest owners are farmers.

And Other Products

Paper. About 465 pounds of paper per person is used each year. This requires the net annual wood growth from about ¾ acre of commercial forest. A large New York newspaper

uses the equivalent of the yearly growth from 6,000 acres of commercial forest land for its Sunday issue, or the growth from 500,000 acres every year.

And the day of the "wood-burning rocket" may arrive. Nitrocellulose, derived mainly from wood pulp, is a major ingredient of some solid fuel propellants of rockets.

What Does the Farmer Receive?

For Food

- 39 cents of each \$1 spent for food.
- 57 cents of each \$1 spent for choice beef.
- 2.6 cents for the corn in a 29-cent box of corn-flakes.
- 2.7 cents for the wheat in a 21-cent loaf of white bread.
- About 22 cents from a 47-cent ½-gallon of milk.

For Clothing

- About 26 cents for the cotton in a man's \$4.26 business shirt.

For Shelter

- About 25 cents stumpage for each \$1 worth of pine lumber produced from his woods.

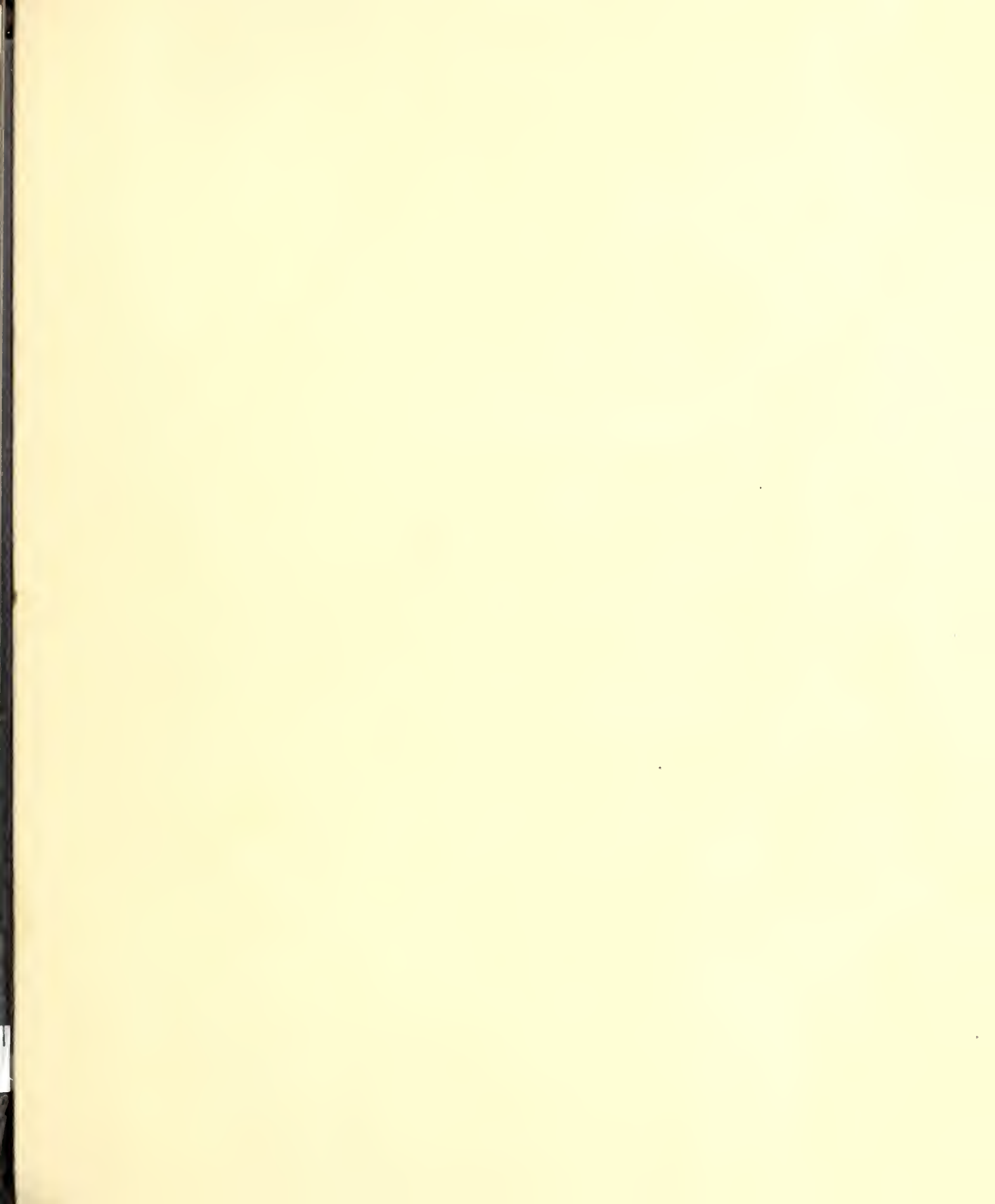
Income From His Labor and Capital

Farm people in 1965 received:

\$38.9 billion in sales of crops and livestock, about \$10,945 per farm; with net income for farm operators of \$14.1 billion from farming, \$4,182 per farm.

\$1,610 of personal income per capita—\$1,061 from farm sources and \$549 from nonfarm sources. "After-tax" income of farm people was \$1,510; of nonfarm people, \$2,405.

\$1.25 an hour income for farmwork. By contrast, 1 hour's work in a factory averaged \$2.61 and hourly earnings in food marketing averaged \$2.30.



What Do We Spend For Food?

From Our Income

Slightly more than 19 percent of our disposable income went for food in 1965. We spent 24 percent of our disposable income for food in 1930 and 22 percent in 1940. In 1947, food took 26 percent of our take-home pay.

In Terms of an Hour's Work

1 hour's work in a factory buys much more food today than it did 30 years ago. Pay for 1 hour's factory labor would buy:

Round steak: 2.4 pounds in 1965; 1.5 pounds in 1935; or

Bacon: 3.2 pounds in 1965; 1.3 pounds in 1935; or

Milk: 10 quarts in 1965; 4.6 quarts in 1935; or

Oranges: 3.4 dozen in 1965; 1.7 dozen in 1935.

As Compared With Other Products

Food costs have risen less since 1947-49 than most other consumer items in the cost-of-living index. For all items on the list, the increase in cost to 1965 was 35 percent. For all food, the increase was 28 percent. For rent, it was 50 percent, and for medical care 77 percent.

The farmer gets none of the increase in cost for the food he produces. In fact, he receives 7 percent less for the farm food "market basket" than he did in 1947-49. This accounts for the fact that the cost of farm-grown food has risen only 17 percent, although processing and marketing costs have risen 41 percent.

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